



**LI-S ENERGY LIMITED
ACN 634 839 857**

BOARD CHARTER

1. PURPOSE OF CHARTER

- 1.1 The Board Charter sets out the role, composition, and responsibilities of the Board of Li-S Energy Limited (“Li-S Energy” or “Company”).
- 1.2 The Conduct of the Board is also governed by the Li-S Energy Constitution, a copy of which is located in the designated corporate governance area of the Company’s website.

2. MEMBERSHIP, COMPOSITION AND TERM

- 2.1 The Li-S Energy Constitution provides for a minimum of three (3) directors and a maximum of twelve (12) directors. The Company may review this requirement from time to time.
- 2.2 The Board has adopted a policy that the position of Chairman will be held by a non-executive, independent director.
- 2.3 The Li-S Energy Board is to be structured in a way that seeks to add value in the context of the size of its business and the industry in which it operates. To this end, the current Board consists of directors with extensive experience in early stage companies, combined with publicly listed company, capital markets, financial, legal and commercial expertise. The Board will review its composition from time to time to determine its effectiveness.
- 2.4 The Board does not currently have a nomination committee. The Board has an established process of self-review and evaluation which involves regular and on-going consideration of all of the Board’s key areas of responsibility and accountability. Relevant matters considered in the assessment of Board and individual director performance are set out in detail in the Performance Evaluation Processes and available on the Company’s website.
- 2.5 The Chairman meets periodically with individual directors to discuss the performance of the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of directors retiring by rotation prior to the Board endorsing their candidature.
- 2.6 The review process involves consideration of all of the Board’s key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.
- 2.7 The Board believes that this approach is appropriate given its size and the nature of the Company’s operations.
- 2.8 The Board shall consist of a majority of independent non-executive directors.

- 2.9 Li-S Energy has in place a set of guidelines that can be found on its website titled the Independent Director Assessment that sets out the process the Board will take in assessing and determining the independence of each director.
- 2.10 The materiality of relationships between a non-executive director and Li-S Energy (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.
- 2.11 Membership of the Board shall be disclosed in the annual report including whether a director is independent or non-independent. The loss or gain of independence will be disclosed to the market immediately.
- 2.12 The Board has not adopted a tenure policy.
- 2.13 There is no requirement in the Li-S Energy Constitution for a director to be a shareholder of the Company though the Board considers there are good governance reasons for doing so. As at the date of this policy, all four of the directors of Li-S Energy hold shares (directly or indirectly) in the Company and two of them are directors of other associated entities who are shareholders in Li-S Energy.

3. RESPONSIBILITES

- 3.1 The Li-S Energy Constitution vests the Board with general power of overall management of the business and the affairs of the Company except those which are required by law, or the Constitution, to be authorised by the Company in general meeting.
- 3.2 The Board is responsible for the overall direction of the Company.
- 3.3 The primary goal set by the Board is the enhancement of long-term shareholder value.
- 3.4 In the pursuit of its stated goal, the Li-S Energy Board is responsible for:
 - 3.4.1 oversight of the Company, including its control and accountability systems;
 - 3.4.2 setting the Company's major goals including the strategies and financial objectives to be implemented by management;
 - 3.4.3 appointing, removing, and controlling the CEO or Managing Director;
 - 3.4.4 ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and/or Company Secretary;
 - 3.4.5 input into and final approval of management's development of corporate strategy and performance objectives;
 - 3.4.6 reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance and ensuring that these instil the Company's values;
 - 3.4.7 monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
 - 3.4.8 approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;

- 3.4.9 approving and monitoring financial and other reporting; and
- 3.4.10 corporate governance.
- 3.5 The Board has delegated responsibility to the Chief Executive Officer and his management team who are charged with the day to day running and administration of Li-S Energy consistent with the strategic objectives and policies as set down by the Board to enable the Board to perform its responsibilities. Within this framework, the Chief Executive Officer is directly accountable to the Board for the performance of the management team.
- 3.6 The Chief Executive Officer's and the management team's responsibilities include:
 - 3.6.1 developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
 - 3.6.2 maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
 - 3.6.3 developing the Company's annual budget, recommending it to the Board for approval and managing day-to-day operations within the budget;
 - 3.6.4 managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board;
 - 3.6.5 making recommendations for the appointment of senior management, determining terms of appointment, evaluating performance, and developing and maintaining succession plans for senior management roles; and
 - 3.6.6 approval of capital expenditure and business transactions within predetermined limits set by the Board.

4. CHAIRMAN

- 4.1 The Chairman is an independent non-Executive Director.
- 4.2 In the event the Chairman is absent from a meeting, the Board will select a Chairman for that particular meeting from one of the remaining independent non-executive Directors. If no independent non-executive Directors are present, the members of the Board present at the meeting have authority to choose one of their members to chair that particular meeting.

5. SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN AND MANAGING DIRECTOR

- 5.1 The roles of the Chairman and Chief Executive Officer are strictly separated.

Chairman

- 5.2 The Chairman is responsible for:
 - 5.2.1 leading the Board in its duties to the Company;
 - 5.2.2 ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees, and individual directors;

5.2.3 facilitating effective discussions at Board meetings; and

5.2.4 ensuring effective communication with shareholders.

Chief Executive Officer

5.3 In contrast, the Chief Executive Officer is responsible for:

5.3.1 policy direction of the operations of Li-S Energy;

5.3.2 the efficient and effective operation of Li-S Energy;

5.3.3 ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board; and

5.3.4 ensuring all material matters affecting Li-S Energy are brought to the Board's attention.

6. SECRETARY

6.1 The Company Secretary will be the Secretary of the Board. The Company Secretary has been appointed on the basis that he will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

6.2 All Directors of the Board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

7. REPORTING

7.1 Proceedings of all meetings are minuted and signed by the Chairman or the Chairman of the meeting.

8. REVIEW OF CHARTER

8.1 The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

9. PUBLICATION OF THE CHARTER

9.1 Key features of the charter are to be outlined in the annual report to shareholders.

9.2 A copy of the charter is available on the Company's website.

9.3 The Charter is to be made available to shareholders of Li-S Energy upon request.

10. STATEMENT OF COMPANY VALUES

10.1 The Li-S Energy Energy Board of Directors is committed to the principles underpinning good corporate governance applied in a manner which is most suited to Li-S Energy Energy, and to best addressing the Directors' accountability to shareholders and other stakeholders. This is supported to an overriding organisation-wide commitment to the highest standards of legislative compliance and financial and ethical behaviour.

10.2 The Li-S Energy Energy Board of Directors have developed and implemented policies, procedures and practices and has made these publicly available on its website www.lis.energy in a concerted effort to foster a culture of transparency in the way the company is directed and managed and as a demonstration of its overall commitment to good governance principles.

11. OTHER MATTERS

11.1 There are a number of operational matters which relate to the Board that are not reproduced in this Charter. These matters include:

- 11.1.1 appointment and removal of directors;
- 11.1.2 meetings of the directors;
- 11.1.3 remuneration of directors;
- 11.1.4 powers and duties of directors;
- 11.1.5 notification of interests;
- 11.1.6 alternate and associate directors;
- 11.1.7 delegation and appointment of committees; and
- 11.1.8 election of directors,

and are governed by the Li-S Energy Energy Constitution.

Dated: July 2021